

AMENDED IN ASSEMBLY AUGUST 21, 2013

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JULY 2, 2013

AMENDED IN SENATE MAY 6, 2013

AMENDED IN SENATE APRIL 9, 2013

## **SENATE BILL**

**No. 27**

---

### **Introduced by Senator Correa**

December 3, 2012

---

An act to amend Section 9084 of the Elections Code, and to amend Sections ~~81004~~, 82015, 82048.7, 84105, and 88001 of, and to add Sections 84222 and 84223 to, the Government Code, relating to the Political Reform Act of 1974.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 27, as amended, Correa. Political Reform Act of 1974.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. The Fair Political Practices Commission administers and enforces the act. A violation of the act's provisions is punishable as a misdemeanor.

*This bill would revise the definition of "contribution" to include certain payments made by a person to a multipurpose organization, as specified.*

This bill would require multipurpose organizations that meet specified criteria to comply with the registration and campaign reporting

requirements of the act, as specified, including the disclosure of information relating to the organization's donors.

This bill would require state ballot measure committees and state candidate committees that raise \$1,000,000 or more for an election to maintain an accurate list of the committee's top 10 contributors. This bill would require a committee to provide accurate lists of these contributors to the Commission, and would require the Commission to post the top 10 contributor lists on its Internet Web site, as specified, and to post updates to those lists when prescribed events occur. The bill would require the Commission to provide copies of the top 10 contributor lists to the Secretary of State, at the Secretary of State's request, for purposes of posting those lists on the Secretary of State's Internet Web site.

(2) The act requires a candidate or committee that receives contributions of \$5,000 or more from any person to inform the contributor within 2 weeks that he or she may be subject to the act's reporting requirements.

This bill would require that the candidate or committee inform the contributor within one week for a contribution of \$10,000 or more received during the period in which late contribution reports must be filed. The bill would also require the notifications to reference the reporting requirements for multipurpose organizations.

(3) Existing law requires the Secretary of State to prepare a ballot pamphlet that includes specified information with respect to an election.

This bill would require the Secretary of State to include in the ballot pamphlet a written explanation of the top 10 contributor lists required by the bill, including a description of the Internet Web sites where those lists would be available to the public.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(5) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2 following:

3     (a) Multipurpose organizations, including out-of-state  
4 organizations, are increasing their political activities in California,  
5 and it is important to clarify how disclosure requirements apply  
6 to these organizations to ensure that the public receives the required  
7 information in an accurate, timely, and transparent manner.

8     (b) The Ninth Circuit Court of Appeals, in *California Pro-Life*  
9 *Council, Inc. v. Randolph* (9th Cir. 2007) 507 F.3d 1172, upheld  
10 the disclosure of a multipurpose organization's political activities,  
11 as required by regulations of the Fair Political Practices  
12 Commission.

13     (c) The disclosure of donors to multipurpose organizations that  
14 make contributions or expenditures to support or oppose California  
15 candidates and ballot measures serves the following important  
16 purposes:

17     (1) It provides the electorate with information as to where  
18 campaign money comes from, increasing its ability to identify the  
19 supporters of a candidate or ballot measure.

20     (2) It deters actual corruption and avoids the appearance of  
21 corruption by providing increased transparency of contributions  
22 and expenditures.

23     (3) It is an important means of gathering the information  
24 necessary to detect violations of the Political Reform Act of 1974.

25     (d) The people of California have a compelling interest in  
26 receiving clear and easy to use information about who is financing  
27 state ballot measures and candidate independent expenditure  
28 committees.

29     (e) It is therefore the intent of the Legislature to strengthen the  
30 laws requiring the disclosure of contributions and expenditures in  
31 California elections by multipurpose organizations and to require  
32 committees that raise or spend one million dollars (\$1,000,000)  
33 or more to support or oppose state ballot measures or make  
34 independent expenditures on behalf of a state candidate to disclose  
35 a list of their top 10 contributors on the Internet Web site of the  
36 Fair Political Practices Commission.

37     SEC. 2. Section 9084 of the Elections Code is amended to read:

38     9084. The ballot pamphlet shall contain all of the following:

- 1 (a) A complete copy of each state measure.
- 2 (b) A copy of the specific constitutional or statutory provision,  
3 if any, that each state measure would repeal or revise.
- 4 (c) A copy of the arguments and rebuttals for and against each  
5 state measure.
- 6 (d) A copy of the analysis of each state measure.
- 7 (e) Tables of contents, indexes, art work, graphics, and other  
8 materials that the Secretary of State determines will make the ballot  
9 pamphlet easier to understand or more useful for the average voter.
- 10 (f) A notice, conspicuously printed on the cover of the ballot  
11 pamphlet, indicating that additional copies of the ballot pamphlet  
12 will be mailed by the county elections official upon request.
- 13 (g) A written explanation of the judicial retention procedure as  
14 required by Section 9083.
- 15 (h) The Voter Bill of Rights pursuant to Section 2300.
- 16 (i) If the ballot contains an election for the office of United  
17 States Senator, information on candidates for United States Senator.  
18 A candidate for United States Senator may purchase the space to  
19 place a statement in the state ballot pamphlet that does not exceed  
20 250 words. The statement may not make any reference to any  
21 opponent of the candidate. The statement shall be submitted in  
22 accordance with timeframes and procedures set forth by the  
23 Secretary of State for the preparation of the state ballot pamphlet.
- 24 (j) If the ballot contains a question on the confirmation or  
25 retention of a justice of the Supreme Court, information on justices  
26 of the Supreme Court who are subject to confirmation or retention.
- 27 (k) If the ballot contains an election for the offices of President  
28 and Vice President of the United States, a notice that refers voters  
29 to the Secretary of State's Internet Web site for information about  
30 candidates for the offices of President and Vice President of the  
31 United States.
- 32 (l) A written explanation of the appropriate election procedures  
33 for party-nominated, voter-nominated, and nonpartisan offices as  
34 required by Section 9083.5.
- 35 (m) A written explanation of the top 10 contributor lists required  
36 by Section 84223 of the Government Code, including a description  
37 of the Internet Web sites where those lists are available to the  
38 public.
- 39 ~~SEC. 3. Section 81004 of the Government Code is amended~~  
40 ~~to read:~~

1     81004. (a) Each report or statement filed under this title shall  
2 be signed under penalty of perjury and verified by the filer. The  
3 verification shall state that the filer has used all reasonable  
4 diligence in the preparation of the report or statement and that to  
5 the best of his or her knowledge it is true and complete.

6     (b) A report or statement filed by a committee that qualifies  
7 under subdivision (a) of Section 82013 shall be signed and verified  
8 by the treasurer, and a report or statement filed by any other person  
9 shall be signed and verified by the filer. If the filer is an entity  
10 other than an individual, the report or statement shall be signed  
11 and verified by a responsible officer of the entity or by an attorney  
12 or a certified public accountant acting as agent for the entity. A  
13 report or statement filed by a committee that qualifies under  
14 subdivision (b) or (c) of Section 82013 shall be signed and verified  
15 by a responsible officer of the committee. Every person who signs  
16 and verifies any report or statement required to be filed under this  
17 title which contains material matter which he or she knows to be  
18 false is guilty of perjury.

19     SEC. 3. Section 82015 of the Government Code is amended to  
20 read:

21     82015. (a) “Contribution” means a payment, a forgiveness of  
22 a loan, a payment of a loan by a third party, or an enforceable  
23 promise to make a payment except to the extent that full and  
24 adequate consideration is received, unless it is clear from the  
25 surrounding circumstances that it is not made for political purposes.

26     (b) (1) A payment made at the behest of a committee as defined  
27 in subdivision (a) of Section 82013 is a contribution to the  
28 committee unless full and adequate consideration is received from  
29 the committee for making the payment.

30     (2) A payment made at the behest of a candidate is a contribution  
31 to the candidate unless the criteria in either subparagraph (A) or  
32 (B) are satisfied:

33     (A) Full and adequate consideration is received from the  
34 candidate.

35     (B) It is clear from the surrounding circumstances that the  
36 payment was made for purposes unrelated to his or her candidacy  
37 for elective office. The following types of payments are presumed  
38 to be for purposes unrelated to a candidate’s candidacy for elective  
39 office:

1 (i) A payment made principally for personal purposes, in which  
2 case it may be considered a gift under the provisions of Section  
3 82028. Payments that are otherwise subject to the limits of Section  
4 86203 are presumed to be principally for personal purposes.

5 (ii) A payment made by a state, local, or federal governmental  
6 agency or by a nonprofit organization that is exempt from taxation  
7 under Section 501(c)(3) of the Internal Revenue Code.

8 (iii) A payment not covered by clause (i), made principally for  
9 legislative, governmental, or charitable purposes, in which case it  
10 is neither a gift nor a contribution. However, payments of this type  
11 that are made at the behest of a candidate who is an elected officer  
12 shall be reported within 30 days following the date on which the  
13 payment or payments equal or exceed five thousand dollars  
14 (\$5,000) in the aggregate from the same source in the same  
15 calendar year in which they are made. The report shall be filed by  
16 the elected officer with the elected officer's agency and shall be  
17 a public record subject to inspection and copying pursuant to  
18 subdivision (a) of Section 81008. The report shall contain the  
19 following information: name of payor, address of payor, amount  
20 of the payment, date or dates the payment or payments were made,  
21 the name and address of the payee, a brief description of the goods  
22 or services provided or purchased, if any, and a description of the  
23 specific purpose or event for which the payment or payments were  
24 made. Once the five-thousand-dollar (\$5,000) aggregate threshold  
25 from a single source has been reached for a calendar year, all  
26 payments for the calendar year made by that source must be  
27 disclosed within 30 days after the date the threshold was reached  
28 or the payment was made, whichever occurs later. Within 30 days  
29 after receipt of the report, state agencies shall forward a copy of  
30 these reports to the Fair Political Practices Commission, and local  
31 agencies shall forward a copy of these reports to the officer with  
32 whom elected officers of that agency file their campaign  
33 statements.

34 (C) For purposes of subparagraph (B), a payment is made for  
35 purposes related to a candidate's candidacy for elective office if  
36 all or a portion of the payment is used for election-related activities.  
37 For purposes of this subparagraph, "election-related activities"  
38 shall include, but are not limited to, the following:

1 (i) Communications that contain express advocacy of the  
2 nomination or election of the candidate or the defeat of his or her  
3 opponent.

4 (ii) Communications that contain reference to the candidate's  
5 candidacy for elective office, the candidate's election campaign,  
6 or the candidate's or his or her opponent's qualifications for  
7 elective office.

8 (iii) Solicitation of contributions to the candidate or to third  
9 persons for use in support of the candidate or in opposition to his  
10 or her opponent.

11 (iv) Arranging, coordinating, developing, writing, distributing,  
12 preparing, or planning of any communication or activity described  
13 in clause (i), (ii), or (iii).

14 (v) Recruiting or coordinating campaign activities of campaign  
15 volunteers on behalf of the candidate.

16 (vi) Preparing campaign budgets.

17 (vii) Preparing campaign finance disclosure statements.

18 (viii) Communications directed to voters or potential voters as  
19 part of activities encouraging or assisting persons to vote if the  
20 communication contains express advocacy of the nomination or  
21 election of the candidate or the defeat of his or her opponent.

22 (D) A contribution made at the behest of a candidate for a  
23 different candidate or to a committee not controlled by the  
24 behesting candidate is not a contribution to the behesting candidate.

25 (3) A payment made at the behest of a member of the Public  
26 Utilities Commission, made principally for legislative,  
27 governmental, or charitable purposes, is not a contribution.  
28 However, payments of this type shall be reported within 30 days  
29 following the date on which the payment or payments equal or  
30 exceed five thousand dollars (\$5,000) in the aggregate from the  
31 same source in the same calendar year in which they are made.  
32 The report shall be filed by the member with the Public Utilities  
33 Commission and shall be a public record subject to inspection and  
34 copying pursuant to subdivision (a) of Section 81008. The report  
35 shall contain the following information: name of payor, address  
36 of payor, amount of the payment, date or dates the payment or  
37 payments were made, the name and address of the payee, a brief  
38 description of the goods or services provided or purchased, if any,  
39 and a description of the specific purpose or event for which the  
40 payment or payments were made. Once the five-thousand-dollar

1 (\$5,000) aggregate threshold from a single source has been reached  
2 for a calendar year, all payments for the calendar year made by  
3 that source must be disclosed within 30 days after the date the  
4 threshold was reached or the payment was made, whichever occurs  
5 later. Within 30 days after receipt of the report, the Public Utilities  
6 Commission shall forward a copy of these reports to the Fair  
7 Political Practices Commission.

8 (c) “Contribution” includes the purchase of tickets for events  
9 such as dinners, luncheons, rallies, and similar fundraising events;  
10 the candidate’s own money or property used on behalf of his or  
11 her candidacy other than personal funds of the candidate used to  
12 pay either a filing fee for a declaration of candidacy or a candidate  
13 statement prepared pursuant to Section 13307 of the Elections  
14 Code; the granting of discounts or rebates not extended to the  
15 public generally or the granting of discounts or rebates by television  
16 and radio stations and newspapers not extended on an equal basis  
17 to all candidates for the same office; the payment of compensation  
18 by any person for the personal services or expenses of any other  
19 person if the services are rendered or expenses incurred on behalf  
20 of a candidate or committee without payment of full and adequate  
21 consideration.

22 (d) “Contribution” further includes any transfer of anything of  
23 value received by a committee from another committee, unless  
24 full and adequate consideration is received.

25 (e) “Contribution” does not include amounts received pursuant  
26 to an enforceable promise to the extent those amounts have been  
27 previously reported as a contribution. However, the fact that those  
28 amounts have been received shall be indicated in the appropriate  
29 campaign statement.

30 (f) “Contribution” does not include a payment made by an  
31 occupant of a home or office for costs related to any meeting or  
32 fundraising event held in the occupant’s home or office if the costs  
33 for the meeting or fundraising event are five hundred dollars (\$500)  
34 or less.

35 (g) Notwithstanding the foregoing definition of “contribution,”  
36 the term does not include volunteer personal services or payments  
37 made by any individual for his or her own travel expenses if the  
38 payments are made voluntarily without any understanding or  
39 agreement that they shall be, directly or indirectly, repaid to him  
40 or her.



1 (h) “Contribution” further includes the payment of public  
2 moneys by a state or local governmental agency for a  
3 communication to the public that satisfies both of the following:

4 (1) The communication expressly advocates the election or  
5 defeat of a clearly identified candidate or the qualification, passage,  
6 or defeat of a clearly identified measure, or, taken as a whole and  
7 in context, unambiguously urges a particular result in an election.

8 (2) The communication is made at the behest of the affected  
9 candidate or committee.

10 (i) *“Contribution” further includes a payment made by a person*  
11 *to a multipurpose organization as defined and described in Section*  
12 *84222.*

13 SEC. 4. Section 82048.7 of the Government Code is amended  
14 to read:

15 82048.7. (a) “Sponsored committee” means a committee, other  
16 than a candidate controlled committee, that has one or more  
17 sponsors. Any person, except a candidate or other individual, may  
18 sponsor a committee.

19 (b) A person sponsors a committee if any of the following apply:

20 (1) The committee receives 80 percent or more of its  
21 contributions from the person or its members, officers, employees,  
22 or shareholders.

23 (2) The person collects contributions for the committee by use  
24 of payroll deductions or dues from its members, officers, or  
25 employees.

26 (3) The person, alone or in combination with other organizations,  
27 provides all or nearly all of the administrative services for the  
28 committee.

29 (4) The person, alone or in combination with other organizations,  
30 sets the policies for soliciting contributions or making expenditures  
31 of committee funds.

32 ~~(e) A sponsor that is subject to the reporting requirements of~~  
33 ~~subdivision (f) of Section 84222 and makes contributions or~~  
34 ~~expenditures from the sponsor’s treasury funds shall report those~~  
35 ~~contributions or expenditures either on the campaign statements~~  
36 ~~of the sponsored committee, pursuant to subdivision (f) of Section~~  
37 ~~84222, or on the sponsor’s own campaign statements.~~

38 (c) *A sponsor that is a multipurpose organization, as defined*  
39 *in subdivision (a) of Section 84222, and that makes contributions*

1 *or expenditures from its general treasury funds shall comply with*  
2 *Section 84222.*

3 SEC. 5. Section 84105 of the Government Code is amended  
4 to read:

5 84105. A candidate or committee that receives contributions  
6 of five thousand dollars (\$5,000) or more from any person shall  
7 inform the contributor within two weeks of receipt of the  
8 contributions that he or she may be required to file campaign  
9 reports, and shall include a reference to the filing requirements for  
10 multipurpose organizations under Section 84222. However, a  
11 candidate or committee that receives a contribution of ten thousand  
12 dollars (\$10,000) or more from any person during any period in  
13 which late contribution reports are required to be filed pursuant to  
14 Section 84203 shall provide the information to the contributor  
15 within one week. The notification required by this section is not  
16 required to be sent to any contributor who has an identification  
17 number assigned by the Secretary of State issued pursuant to  
18 Section 84101.

19 SEC. 6. Section 84222 is added to the Government Code, to  
20 read:

21 84222. (a) For purposes of this title, “multipurpose  
22 organization” means an organization described in Sections  
23 501(c)(3) to 501(c)(10), inclusive, of the Internal Revenue Code  
24 and that is exempt from taxation under Section 501(a) of the  
25 Internal Revenue Code, a federal or out-of-state political  
26 organization, a trade association, a professional association, a civic  
27 organization, a religious organization, a fraternal society, an  
28 educational institution, or any other association or group of persons  
29 acting in concert, that is operating for purposes other than making  
30 contributions or expenditures. “Multipurpose organization” does  
31 not include a business entity, an individual, or a federal candidate’s  
32 authorized committee, as defined in Section 431 of Title 2 of the  
33 United States Code, that is registered and filing reports pursuant  
34 to the Federal Election Campaign Act of 1971.

35 (b) A multipurpose organization that makes expenditures or  
36 contributions and does not qualify as a committee pursuant to  
37 subdivision (c) may qualify as an independent expenditure  
38 committee or major donor committee if the multipurpose  
39 organization satisfies subdivision (b) or (c) of Section 82013.

(c) ~~(1)~~ Except as provided in ~~paragraph (2)~~ *subparagraph (A) of paragraph (5)*, a multipurpose organization is a recipient committee within the meaning of subdivision (a) of Section 82013 only under one or more of the following circumstances:

~~(A)~~

*(1)* The multipurpose organization is a political committee registered with the Federal Election Commission, except as provided in subdivision (a) of this section, or a political committee registered with another state, and the multipurpose organization makes contributions or expenditures in this state in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013.

~~(B)~~

*(2)* The multipurpose organization solicits and receives payments from donors in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013 for the purpose of making contributions or expenditures.

~~(C)~~

*(3)* The multipurpose organization accepts payments from donors in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013 subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures.

~~(D)~~

*(4)* The multipurpose organization has existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used for making contributions or expenditures in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013. The date of the subsequent agreement or understanding is deemed to be the date of receipt of the payment.

~~(E)~~

*(5)* The multipurpose organization makes contributions or expenditures totaling more than fifty thousand dollars (\$50,000) ~~in the preceding a period of 12 months or more than one hundred thousand dollars (\$100,000) in any consecutive four calendar year period~~ *a period of four consecutive calendar years*.

~~(2)~~ (A) A multipurpose organization shall not qualify as a committee within the meaning of subdivision (a) of Section 82013

1 pursuant to this ~~subdivision~~ *paragraph* if the multipurpose  
2 organization makes contributions or expenditures using only  
3 available nondonor funds. A multipurpose organization that makes  
4 contributions or expenditures with nondonor funds shall ~~identify~~  
5 *briefly describe* the source ~~or sources~~ of the funds used for the  
6 ~~contribution or expenditure~~ on its major donor or independent  
7 expenditure report.

8 (B) For purposes of this ~~subdivision~~ *paragraph*, “nondonor  
9 funds” means investment income, including capital gains, or  
10 income earned from providing goods, services, or facilities,  
11 whether related or unrelated to the multipurpose organization’s  
12 program, sale of assets, or other receipts that are not ~~derived from~~  
13 donations.

14 (d) A multipurpose organization that is a committee pursuant  
15 to ~~subparagraph (A) of paragraph (1) of subdivision (c)~~  
16 shall comply with the registration and reporting requirements of this  
17 chapter, subject to the following:

18 (1) The multipurpose organization is not required to comply  
19 with subdivision (k) of Section 84211 for contributions and  
20 expenditures made to influence federal or out-of-state elections,  
21 which shall instead be reported as a single expenditure and be  
22 described as such on the campaign statement.

23 (2) A multipurpose organization registered with the Federal  
24 Election Commission is not subject to subdivisions (d) and (f) of  
25 Section 84211 but shall disclose the total amount of contributions  
26 received pursuant to ~~subdivision (e) (a)~~ of Section 84211, and shall  
27 disclose the multipurpose organization’s name and identification  
28 number registered with the Federal Election Commission on the  
29 campaign statement.

30 (e) (1) A multipurpose organization that is a committee pursuant  
31 to ~~subparagraph (B), (C), (D), or (E) of paragraph (1)~~ *paragraph*  
32 *(2), (3), (4), or (5)* of subdivision (c) shall comply with the  
33 registration and reporting requirements of this chapter, subject to  
34 the following, except that if the multipurpose organization is the  
35 sponsor of a committee as described in subdivision (f) it may report  
36 required information on its sponsored committee statement  
37 pursuant to subdivision (f):

38 (A) The multipurpose organization shall register in the calendar  
39 year in which it satisfies any of the criteria in ~~paragraph (1) of~~  
40 subdivision (c). The statement of organization filed pursuant to

1 Section 84101 shall indicate that the organization is filing pursuant  
2 to this section as a multipurpose organization and state the  
3 organization's nonprofit tax exempt status, if any. The statement  
4 of organization shall also describe the organization's mission or  
5 most significant activities, and describe the organization's political  
6 activities. A multipurpose organization may comply with the  
7 requirement to describe the mission or significant activities and  
8 political activities by referencing where the organization's Internal  
9 Revenue Service Return of Organization Exempt From Income  
10 Tax form may be accessed.

11 (B) Except as provided in this subparagraph, the registration of  
12 a multipurpose organization that meets the criteria of ~~subparagraph~~  
13 ~~(E) of paragraph (1)~~ *paragraph (5)* of subdivision (c) shall  
14 terminate automatically on December 31 of the calendar year in  
15 which the multipurpose organization is registered. The  
16 multipurpose organization shall not be required to file a semiannual  
17 statement pursuant to subdivision (b) of Section 84200, unless the  
18 multipurpose organization has undisclosed contributions or  
19 expenditures to report, in which case termination shall occur  
20 automatically upon filing the semiannual statement that is due no  
21 later than January 31. After the multipurpose organization's  
22 registration has terminated, the multipurpose organization's  
23 reporting obligations are complete, unless the organization qualifies  
24 as a committee for purposes of subdivision (a) of Section 82013  
25 again in the following calendar year pursuant to subdivision (c)  
26 of this section. Notwithstanding this subdivision, a multipurpose  
27 organization may elect to remain registered as a committee by  
28 submitting written notification to the Secretary of State prior to  
29 the end of the calendar year.

30 (C) A multipurpose organization shall report all contributions  
31 received that satisfy the criteria of ~~subparagraph (B), (C), or (D)~~  
32 ~~of paragraph (1)~~ *paragraph (2), (3), or (4)* of subdivision (c) of  
33 this section in the manner required by subdivision (f) of Section  
34 84211, and for the balance of its contributions or expenditures  
35 shall further report contributors based on a last in, first out  
36 accounting method.

37 (2) A multipurpose organization reporting pursuant to this  
38 subdivision shall disclose total contributions received in an amount  
39 equal to the multipurpose organization's total contributions and  
40 expenditures made in the reporting period. When a multipurpose

1 organization reports donors based on the last in, first out accounting  
2 method, it shall *attribute to and* include the information required  
3 by subdivision (f) of Section 84211 for any donor who donates  
4 one thousand dollars (\$1,000) or more in a calendar year, except  
5 for the following:

6 ~~(A) A donor who conditions the donation in a manner that~~  
7 ~~prohibits the multipurpose organization from using the donation~~  
8 ~~for contributions and expenditures.~~

9 (A) *A donor who designates or restricts the donation for*  
10 *purposes other than contributions or expenditures.*

11 (B) *A donor who prohibits the multipurpose organization's use*  
12 *of its donation for contributions or expenditures.*

13 ~~(B)~~

14 (C) A private foundation, as defined by subdivision (a) of  
15 Section 509 of the Internal Revenue Code, that provides a grant  
16 that does not constitute a taxable expenditure for purposes of  
17 paragraph (1) or (2) of subdivision (d) of Section 4945 of the  
18 Internal Revenue Code.

19 ~~(3) A multipurpose organization that is a committee pursuant~~  
20 ~~to subparagraph (E) of paragraph (1) of subdivision (c) shall not~~  
21 ~~be required to report contributions or expenditures received, or~~  
22 ~~disclose the donors for those contributions or expenditures, if the~~  
23 ~~contributions or expenditures were made in any prior calendar year~~  
24 ~~in which the multipurpose organization did not qualify as a~~  
25 ~~committee pursuant to subparagraph (E) of paragraph (1) of~~  
26 ~~subdivision (c).~~

27 (3) *A multipurpose organization that qualifies as a committee*  
28 *pursuant to paragraph (5) of subdivision (c) shall not be required*  
29 *to include contributions or expenditures made in a prior calendar*  
30 *year on the reports filed for the calendar year in which the*  
31 *multipurpose organization qualifies as a committee.*

32 (4) A contributor identified and reported in the manner provided  
33 in subparagraph (C) of paragraph (1) that is a multipurpose  
34 organization and receives contributions that satisfy the criteria in  
35 subdivision (c) shall be subject to the requirements of this  
36 subdivision.

37 (5) The commission shall adopt regulations establishing notice  
38 requirements and reasonable filing deadlines for donors reported  
39 as contributors based on the last in, first out accounting method.

(f) A multipurpose organization that is the sponsor of a committee as defined in Section 82048.7, that is a membership organization,~~—and~~ that makes all of its contributions and expenditures from funds derived from dues, assessments, fees, and similar payments that do not exceed ten thousand dollars (\$10,000) per calendar year from a single source~~—shall~~, *and that elects to report its contributions and expenditures on its sponsored committee’s campaign statement pursuant to paragraph (1) of subdivision (e) shall report* as follows:

(1) The sponsored committee shall report all contributions and expenditures made from the sponsor’s treasury funds on statements and reports filed by the committee. The sponsor shall use a last in, first out accounting method and disclose the information required by subdivision (f) of Section 84211 for any person who pays dues, assessments, fees, or similar payments of one thousand dollars (\$1,000) or more to the sponsor’s treasury funds in a calendar year and shall disclose all contributions and expenditures made, as required by subdivision (k) of Section 84211, on the sponsored committee’s campaign statements.

(2) The sponsored committee shall report all other contributions and expenditures in support of the committee by the sponsor, its intermediate units, and the members of those ~~intermediate units~~ *entities*. A sponsoring organization makes contributions and expenditures in support of its sponsored committee when it provides the committee with money from its treasury funds, with the exception of establishment or administrative costs. With respect to dues, assessments, fees, and similar payments channeled through the sponsor or an intermediate unit to a sponsored committee, the original source of the dues, assessments, fees, and similar payments is the contributor.

(3) A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, shall verify the committee’s campaign statement pursuant to ~~section~~ *Section 81004*.

(g) For purposes of this section, “last in, first out accounting method” means an accounting method by which contributions and expenditures are attributed to the multipurpose organization’s contributors in reverse chronological order beginning with the most recent of its contributors or, if there are any prior contributions or expenditures, beginning with the most recent contributor for which unattributed contributions remain.

SEC. 7. Section 84223 is added to the Government Code, to read:

84223. (a) A committee primarily formed to support or oppose a state ballot measure or state candidate that raises one million dollars (\$1,000,000) or more for an election shall maintain an accurate list of the committee's top 10 contributors, as specified by Commission regulations. A current list of the top 10 contributors shall be provided to the Commission for disclosure on the Commission's Internet Web site, as provided in subdivision (c).

(b) (1) Except as provided in paragraph (4), the list of top 10 contributors shall identify the names of the 10 persons who have made the largest cumulative contributions to the committee, the total amount of each person's contributions, the city and state of the person, the person's committee identification number, if any, and any other information deemed necessary by the Commission. If any of the top 10 contributors identified on the list are committees pursuant to subdivision (a) of Section 82013, the Commission may require, by regulation, that the list also identify the top 10 contributors to those contributing committees.

(2) (A) A committee primarily formed to support or oppose a state ballot measure shall count the cumulative amount of contributions received by the committee from a person for the period beginning 12 months prior to the date the committee made its first expenditure to qualify, support, or oppose the measure and ending with the current date.

(B) A committee primarily formed to support or oppose a state candidate shall count the cumulative amount of contributions received by the committee from a person for the primary and general elections combined.

(3) The aggregation rules of Section 85311 and any implementing regulations adopted by the Commission shall apply in identifying the persons who have made the top 10 cumulative contributions to a committee.

(4) A person who makes contributions to a committee in a cumulative amount of less than ten thousand dollars (\$10,000) shall not be identified or disclosed as a top 10 contributor to a committee pursuant to this section.

(c) (1) The Commission shall adopt regulations to govern the manner in which the Commission shall display top 10 contributor lists provided by a committee that is subject to this section, and



1 the Commission shall post the top 10 contributor lists on its Internet  
2 Web site in the manner prescribed by those regulations. The  
3 Commission shall provide the top 10 contributor lists to the  
4 Secretary of State, upon the request of the Secretary of State, for  
5 the purpose of additionally posting the contributor lists on the  
6 Secretary of State's Internet Web site.

7 (2) A committee shall provide an updated top 10 contributor  
8 list to the Commission when any of the following occurs:

9 (A) A new person qualifies as a top 10 contributor to the  
10 committee.

11 (B) A person who is an existing top 10 contributor makes  
12 additional contributions to the committee.

13 (C) A change occurs that alters the relative ranking order of the  
14 top 10 contributors.

15 (3) The 10 persons who have made the largest cumulative  
16 contributions to a committee shall be listed in order from largest  
17 contribution amount to smallest amount. If two or more  
18 contributors of identical amounts meet the threshold for inclusion  
19 in the list of top 10 contributors, the order of disclosure shall be  
20 made beginning with the most recent contributor of that amount.

21 (4) The Commission shall post or update a top 10 contributor  
22 list within five business days or, during the 16 days before the  
23 election, within 48 hours of a contributor qualifying for the list or  
24 of any change to the list.

25 (d) In listing the top 10 contributors, a committee shall use  
26 reasonable efforts to identify and state the actual individuals or  
27 corporations that are the true sources of the contributions made to  
28 the committee from other persons or committees.

29 (e) In addition to any other lists that the Commission is required  
30 to post on its Internet Web site, the Commission shall compile,  
31 maintain, and display on its Internet Web site a current list of the  
32 top 10 contributors supporting and opposing each state ballot  
33 measure, as prescribed by Commission regulations.

34 SEC. 8. Section 88001 of the Government Code is amended  
35 to read:

36 88001. The ballot pamphlet shall contain all of the following:

37 (a) A complete copy of each state measure.

38 (b) A copy of the specific constitutional or statutory provision,  
39 if any, that would be repealed or revised by each state measure.

1 (c) A copy of the arguments and rebuttals for and against each  
2 state measure.

3 (d) A copy of the analysis of each state measure.

4 (e) Tables of contents, indexes, art work, graphics, and other  
5 materials that the Secretary of State determines will make the ballot  
6 pamphlet easier to understand or more useful for the average voter.

7 (f) A notice, conspicuously printed on the cover of the ballot  
8 pamphlet, indicating that additional copies of the ballot pamphlet  
9 will be mailed by the county elections official upon request.

10 (g) A written explanation of the judicial retention procedure as  
11 required by Section 9083 of the Elections Code.

12 (h) The Voter Bill of Rights pursuant to Section 2300 of the  
13 Elections Code.

14 (i) If the ballot contains an election for the office of United  
15 States Senator, information on candidates for United States Senator.  
16 A candidate for United States Senator may purchase the space to  
17 place a statement in the state ballot pamphlet that does not exceed  
18 250 words. The statement may not make any reference to any  
19 opponent of the candidate. The statement shall be submitted in  
20 accordance with timeframes and procedures set forth by the  
21 Secretary of State for the preparation of the state ballot pamphlet.

22 (j) If the ballot contains a question as to the confirmation or  
23 retention of a justice of the Supreme Court, information on justices  
24 of the Supreme Court who are subject to confirmation or retention.

25 (k) If the ballot contains an election for the offices of President  
26 and Vice President of the United States, a notice that refers voters  
27 to the Secretary of State's Internet Web site for information about  
28 candidates for the offices of President and Vice President of the  
29 United States.

30 (l) A written explanation of the appropriate election procedures  
31 for party-nominated, voter-nominated, and nonpartisan offices as  
32 required by Section 9083.5 of the Elections Code.

33 (m) A written explanation of the top 10 contributor lists required  
34 by Section 84223, including a description of the Internet Web sites  
35 where those lists are available to the public.

36 SEC. 9. No reimbursement is required by this act pursuant to  
37 Section 6 of Article XIII B of the California Constitution because  
38 the only costs that may be incurred by a local agency or school  
39 district will be incurred because this act creates a new crime or  
40 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of  
2 the Government Code, or changes the definition of a crime within  
3 the meaning of Section 6 of Article XIII B of the California  
4 Constitution.

5 SEC. 10. The Legislature finds and declares that this bill  
6 furthers the purposes of the Political Reform Act of 1974 within  
7 the meaning of subdivision (a) of Section 81012 of the Government  
8 Code.

O